

Commission on Housing Affordability
Draft Minutes for May 21, 2020
350 N. State Street. SLC, UT 84103

Members Present

Senator Jacob Anderegg
Representative Joel Briscoe
Representative Val Potter
Jonathan Hardy
Mike Akerlow
Matt Dahl
Mike Gallegos
Janice Kimball
Jaycee Skinner
Michele Weaver
Grant Whitaker
Andrew Johnston
Jeff Jones
Chris Gamvroulas
Julie Humberstone
Beth Holbrook

Representing

Senator
Representative
Representative
Director, HCD
Community Development Corporation of Utah
Utah Redevelopment Association
Salt Lake County
Housing Connect
Salt Lake Chamber
Rural Community Assistance Corporation
Utah Housing Corporation
Salt Lake City Council
Summit County Economic Development
Utah Homebuilders Association
Policy Analyst with LRG
UTA

Staff Present

Holly Taing	HCD
Rebecca Banner	HCD
Pamela Sjostrom	HCD
Jess Peterson	HCD
Ian Shumway	HCD
Christina Davis	HCD
Keith Heaton	HCD
Jonathan Hardy	HCD
David Fields	HCD

Visitors

Ashley Spatafore
Peter Asplund
Justin Williams

Welcome and Introductions

The Commission on Housing Affordability meeting was held electronically Via Zoom on May 21, 2020. Representative Val Potter called to order at 10:04am.

Approval of April 29, 2020 minutes.

Motion to approve by Senator Jacob Anderegg. Motion passes unanimously.

Rep Val Potter: Senator Anderegg, I was talking with Jon earlier and I've talked with appropriations chairs and we also had a zoom meeting yesterday with a house majority, I don't know how else to say it but we were told going into the appropriations committee meetings next week with low expectations. We're looking about 1.3 billion dollars of cuts that need to be made to the state budget shortly, I'm not optimistic going in regarding the funding. Senator or Representative Briscoe, do you have anything else to add?

Senator Anderegg: I don't have anything else to add except that it's looking bleak, I'm on an appropriations sub-committee chair for a different executive offices, Criminal Justice committee and the cuts that we're anticipating we need to make are 90 million dollars just from our one sub-committee which is all of last year's building block growth plus some. If that's typical for what's going to happen in HHS and in public Ed or everything across the board, it's going to be tough.

Rep Val Potter: I agree, I'm house chair of Business Economic Development and Labor and we have a 3 hour meeting this afternoon with a number of the committees and departments to talk about the budgets, we've been through it with the fiscal analyst and not only are we cutting some new programs but there are a number of FTE's that will be cut from the programs and that hurts, we'll get into that on our next meeting to go through it and make the final cuts and pass that one to the executive appropriations. It's a tough time right now and there's a lot of changes coming to the state budget.

Andrew Johnston: Representative, what's the percentage cut you're talking about?

Rep Val Potter: They've asked the various departments, that 2, 5 and 10% cuts but in the end we'll be closing in on 10% to the budget.

Senator Anderegg: The reason we don't know exactly if it'll be 2, 5 or 10% because we're still collecting numbers on our projections of revenue and as we get a better picture between now and June 15th of just how much cash on hand has come in, that will determine just how deep the cuts need to be. You've got to remember that a big portion of this is delayed revenue, a lot of the money that we were anticipating coming in because of the July 15th deadline of filing your tax returns, a lot of money that would usually come in between April 15th and July 15th is now being deferred another 90 days so it's not like the money isn't necessarily ever going to be there except we are dealing with two facets, loss of economic production and delay in revenues and between those two, we are going to have cuts that are going to be permanent for this cycle and then we're going to have cuts that are delayed for this cycle and my hope is that we can push as much of the 10million we've got into delayed as opposed to permanent.

Rep Val Potter: So that's where we're at and does anyone have any questions regarding the funding?

Jonathan Hardy: I did want to add on the cuts, that the 2, 5 and 10 is to our base budgets, that's what is being requested, there's a whole discussion on all the new building block money and that's the thing we wanted to make sure people were aware of today because as part of Senate Bill 39, we got 10million dollars of new money and that plus these 2, 5 and 10% cuts are being discussed next week in the appropriations committees and I would probably echo what's been said already, that there's not a lot of optimism especially around the new money since it hasn't been officially made available yet, that's the easiest money to take off the table and there will also be other discussions on these other cuts and it's up to these appropriations committees to work through that process, it's a tough time for the state but it's the nature of the conversations that are happening.

Rep Val Potter: Thank you Jonathan and seeing no further comments, let's move on to Rental Assistance program update.

Jonathan Hardy: (See attachment)

I will note there is one change on here, there was a lot of discussion kind of when the eviction moratorium was ending under the executive order which ended May 15th about this population, who have applied for this unemployment insurance and are awaiting a decision but making that population eligible for housing assistance if they need it, that is something we have added in to our program, right now this is in the 4million dollars we have available between our home federal money which is federal housing money and emergency solutions grant which is kind of homeless prevention money, that is what's available right now and we did add that population in, as an eligible population so we've expanded the eligibility that we talked about last week. These aren't the only funds available, I know that Salt Lake City and Salt Lake County are working through their process with some of their CARES act money may become available for rental assistance. All agencies listed on the document are accepting phone calls and processing people and what we know right now, we've had some assistance issued and if documentation is in lined, they can get issued very quickly but these are federal programs and it takes some time to establish the documentation that's needed.

(You can find this flyer on the jobs.utah.gov webpage under the COVID 19 button, there's a list of all the departments' resources for assistance and this one is under the other assistance box labeled Pandemic Rental Assistance)

The other thing I wanted to say about Senate Bill 3006 that was passed in the third special session a few weeks ago is, it set aside 20million dollars of the state CARES act allocations from the federal government to put toward a rental assistance program, right now under statute it is to begin August 1st and because we talked about this expanded population, I believe that there will be efforts in the upcoming special session to remove that date and get started with this resource sooner rather than later. I don't know when the next special session date will be but we've got 4million to spend under these federal guidelines and the state program that we'll be working on, and when the next special session happens, we should get that date removed and be able to hit the ground running with the 20million dollar program as well on rental assistance.

Janice Kimball: Jonathan, with the 20million dollars, how will that be allocated across the state?

Jonathan Hardy: It has not been decided yet, it's going to kind of depend on what the target population is, if it's a general rental population, we're looking at either a population based formula or a renter population based formula and it would be divided in those proportions across the state by county. If there's some discussion on different target populations then that may change a little bit but those are thought processes right now.

Mike Gallegos: How about the capacity of these organizations to take on this additional lift, is the resources for them to maybe bring on some additional support?

Jonathan Hardy: That's a great question and each organization has varying capacity needs, I think our intent is to make some of that 20million available for the workers that will be processing all the applications, not just for housing assistance, it's for the program so we need to work with our agencies a little bit to find out what their needs will be.

Mike Gallegos: Can we stay in contact on this topic because as we look at using federal sources whether it's part of COVID through the HUD programs or CARES act fund, we need to make this as streamlined as possible and as consistent across the state so that we're not confusing the public on accessing these resources and the follow up question regarding the 20million, that is state wide as you mentioned, does that include Salt Lake County.

Jonathan Hardy: It does include Salt Lake County and I agree with you, we're trying to make this very seamless for the consumer, if they just meet the basic criteria, they should call and apply, the agency will really allocate the most pertinent assistance, we don't want it to be that the public has to try to figure out which six funding sources are covering their housing assistance, we do appreciate what we've been able to do so far and we anticipate continuing to collaborate to make sure we're covering that very thing you're talking about in consistency.

Michele Weaver: I wondered if the application was online with this flyer or are these agencies fielding all the phone calls and determining who should be filling out an application?

Jonathan Hardy: Each agency has a little bit of a different application process because they all have different sources of funding besides this that they use for housing assistance, they're trying to make it streamline for the consumer and so if they live in those counties, they should contact their applicable agency, there are usually screening questions to see if they meet the criteria and then there's the application process that involves the documentation.

Jeff Jones: Jonathan, I had just one question and I know there was protections in the CARES act in regards to evictions on federally funded projects through the end of July and then there would be a 30 day notice requirement for an eviction to take place and pushes us into August, do we have any

estimate on where we're all going to be during that month of August, are we going to have any resource available to sure that up if that number is larger than we think it might be?

Jonathan Hardy: It's a great question but unfortunately my opinion is, we're not going to have a lot of that information until July, the majority of people right now that are impacted income wise, have been able to collect unemployment insurance, again we have enhanced benefits that run through July, so as long as they're connected there, the mass majority of renters should be able to cover their expenses. Come August, we don't know what that environment looks like quite yet but hopefully everyone is back to work as normal and able to cover their costs. There is a lot of unknowns right now on what gets extended and what doesn't, I will say the 20 million we have set aside right now is what's available and we hope it extends into August and beyond to help out with this, there may be other monies that's part of the States pool that could be accessed in the future, I think the States waiting on a lot on federal guidance on what can be done with that money, right now it's very limited to responding to COVID related issues. We're hopeful that we have at least some resources to start with and we'll have more data in hand probably in July to help understand what future needs may be.

Rep. Val Potter: This is really a positive thing in a very bleak time and report back on how things are going out there in the next month or so, so we know what's going on, this commission group is very much in touch with the needs out there, with nothing else to add we'll now have Justin Williams give us an update on unemployment insurance.

Justin Harris:

As far as processing the claims, the 92% is pretty accurate for this week, our goal is to get as many of the claims processed within 30 days, as you can see we're hitting the 92% line, anything above that or the other 8% you've got some real tricky claims activity going out there because unemployment is a nationwide program sometimes we have to utilize wage information from other states or utilize other partners not tied to the state of Utah so that sometimes can cause a little more of the stickier unemployment claims so that's where the other 8% kind of falls into play. There's been more than 182,000 applications have been filed since March 15th and more than \$312 million in benefits paid for time period so this week's number of claims have gone down which is encouraging, 6,275 brand new claims last week, a total of 101,389 weekly claims, which again is a drop from the previous week as well. The same time we have a separate program called the Pandemic Unemployment Assistance (PUA) and is intended to catch individuals who are not eligible for traditional unemployment, we had about 2,600 brand new pandemic claims submitted last week as well. That was actually was really encouraging to show the pandemic claim, we initially had a spike when the public offering of the program was made available and then it has slowly trickled down to a stagnant level, which is really good to see, that means the gig economy, the self-employed may not be needing the PUA as much as they were initially. We are looking at that as a positive sign that the economy is heading into the right direction that we're hoping for.

Senator Anderegg: So this is good, as far as week by week comparative but what is the State's official percentage of unemployment rate right now?

Justin Harris: That hasn't come out yet, the workforce analysis is in charge of that and I believe they're coming out with that soon, we're expecting any day now, probably today or tomorrow, it think it would be to reckless for me to try and estimate what it would be but the official statistics aren't coming out until I believe tomorrow, I would have to double check on that and get back with Jonathan on that.

Senator Anderegg: So Jonathan, maybe I should ask you, my understanding is that back in January we were still experiencing the record unemployment low like 2.6% or so, I would very much like an email once those numbers have been released to show month by month just so we could see the full impact of this pandemic.

Jonathan Hardy: I know I've heard this from Kevin but maybe I can ask Justin, what are the total jobs that were being reported to unemployment insurance? Maybe that will give a little bit of context to what 100,000 weekly claims looks like compared to what jobs exist in the economy, Justin do you have that number?

Justin Harris: I don't have that at my disposal right now but we can get an economic impact of the claims that were filed since that information is collected when they file the claim, I could pull it up but I just don't have it on me for rapid disposure at the moment.

Rep. Joel Briscoe: The PUA, is that a subset of the CARES Act, is that all federal funding? Does that end July 31?

Justin Harris: That is correct, it is all federal funding.
The expiration on the PUA program is December 26th, the piece of the CARES Act that expires July is called Federal Pandemic Unemployment Compensation and that's the fancy way of saying, it's that extra 600 dollars.

Rep. Joel Briscoe: So one of the bills we passed during one of our special sessions was to start effect on August 1 when the 600 dollar a week ran out, correct?

Jonathan Hardy: That's the rental assistance program that says its available August 1 which will likely be changed to earlier, the idea behind that was, we're going to have rental assistance need if unemployment benefits end and that's why people thought about the August 1st date.

Rep. Joel Briscoe: So the PUA lapses December 26th but in reality, unless it's supplemented, it's really first come first serve and when it's gone it's gone, it's a fixed amount given by the federal government.

Justin Harris: No, it's a reimbursable amount, they didn't put a fixed number on that, it's just who ever applies, how the process of funding goes, we basically send a bill to the federal government and they'll send us the money so they didn't put any number on that.

Rep. Joel Briscoe: Really, a blank check that doesn't have a ceiling. Wow, okay!

Jonathan Hardy: Justin, correct me if I'm wrong but what we're talking about, is a real unemployment benefit really only covers 40-50% of replacement wages and that's why the 600 dollars a week is really getting people up to full replacement wages and that is what's ending is the 600 dollars a week in July, so even if people are connected to unemployment beyond then, they're not going to have full replacement wages so their best case scenario without some additional infusion in August is 40-50% of replacement wages. There will be a different need then without that 600 dollar a week.

Justin Harris: That's correct, I didn't mean to cause any confusion. The PUA claims, the calculations for an individual's eligibility is a minimum of at least \$213 a week or a maximum of \$580 a week, that's the range for the eligibility so there are some formulated calculations that need to be made for an individual claim made on PUA, the sheer number of PUA claims is not limited, the individual only gets a certain amount.

Mike Gallegos: I am quite interested in the number of individuals that have been denied, of who have applied through the COVID and can we track that by industry, I think you mentioned it earlier that we can and if that's available for Slat Lake County? Looking at this as possibly an area that we could zero in as far as outreach for those that may need rental assistance.

Justin Harris: That's a unique query and we don't have that information readily available to us, as far as denials go, what the rental assistance program has got an arrangement is at, if an individual approaches them and applies and they are denied or if they are waiting for an official decision of eligibility, the two programs have an open loop communication to where we can discuss that individuals eligibility.

Mike Gallegos: So even if they don't qualify for various reasons, can we reach out to your office and see if we could extract some information, for instance the service industry and there may people there that might not qualify for unemployment benefits.

Justin Harris: That's a bit problematic, federal disclosure laws prevent a lot of personal information being shared, even with elected officials without the individual granting permission to the department.

Jonathan Hardy: Mike, I think one thing we've talked about is at DWS pushing out communication to folks that are in the unemployment insurance world that may be denied, maybe we could push out this flyer or other targeted information that may be available to them.

I did get a note that the unemployment rate is going to be reported tomorrow, as far as effects of what's happening unemployment wise in the housing world, a couple of things, it's going to be a little tricky because the federal government has pumped in a ton of assistance right now keeping people afloat and paying their bills, the collection rates we've seen both nationally and locally of rents look very similar to last year despite what's happened with the economic shutdown and that is because there is a lot of assistance that's propped everything up right now.

Senator Anderegg: To that end, I would kind of like to see the raw numbers month by month, but for purposes of this committee, it might be helpful to have maybe some additional data, meaning “here’s where we were, here’s where we’ve gone but we’ve funded this much in ie: rental assistance, unemployment etc”

Rep. Val Potter: Seeing no further questions, we’ll move onto the next items on the agenda and start with Dave and Ashley Spatafore.

Dave Spatafore: (see attachment)

What I want to talk about is the 5 priorities that we’ve determined.

Our first priority is data collection and education and it’s an ongoing project and where is the COVID 19 funding going, are there any holes in it, do we need to provide additional background and other kinds of information, that is our number one priority and we want to continue to work on that, continuing this data collections and education is absolutely critical. All of our folks are putting together research from their general areas and those are the things we’re looking at right now, so as we get the data we’ll continue to provide that to Jonathan to get that out to all the committee members.

Following that is our second priority and is under housing production, I had the opportunity to visit with Appropriations Committee Chair Paul Ray and he said to me that money for housing and money for programs that deal with those that are particularly at risk, he wants to try and keep that funded, so at least we have some kind of commitment of chairman Ray that he wants to try and continue that 10million if at all possible.

Our third priority are Housing production B and C, I think what we want to do is look at how we can secure funding in the 2021 legislative session to bill, we want to work with our permanent housing folks to see what kind of project they have ready to build, if we have those that we can put to the front of the que to get ready to be funded for shovel ready project, that’s what we’re going to try and do.

The fourth priority is under rental assistance A and B, the good news is we hopefully have funding now through July 31 particularly for those who have the 600 dollars a week unemployment, then we have the 20million federal that has been prioritized for housing beginning August 1. What we would ask this commission to do is to look at the 20 million dollars and start looking at rental assistance for targeted populations, we know we have a McKinney Vento issue and there’s been a lot of discussion of domestic violence survivors right now, as folks are staying home there are issues with domestic violence that have increased and if that’s become a real issue, we need to make sure those families are housed, as well senior citizens.

Our fifth priority is additional policies to research A – C, as Ashley and I have gotten involved last year with a number of landlord/tenant issues, we believe we need to take a look at that to make sure that our landlord/tenant law reform is equitable, if we can prevent those evictions or reduce the amount of what they’re going to owe on evictions, we think that will benefit housing in the long run.

Ashley Spatafore: The other 2 things I'd like to point out is, on the building side, one thing to look at is the governors 3.0 plan that just came out did emphasize having shovel ready projects.

Commenting on the landlord/tenant law reform, that's something we can look at where we don't have to have money so since our budgets are tight, are there things we can do to address our housing needs that don't increase the budget, so that's one of the positive things at looking at the landlord/tenant law reform.

Chris Gamvroulas: I've got a couple observations and thoughts, so everyone's really concerned about evictions and people unable to pay their rent, the main message through the CARES act and through the state is if you have the resources then you've got to pay your rent and most landlords also have mortgages and this idea of having landlords waive these contractual obligations just really isn't a reality. I know it may sound like a good idea to reopen landlord/tenant law reform, tell me what part of our code doesn't have equity in it, obligations on both parties and rights on both, landlords aren't in the eviction business, they're in the housing business and if we're going to have the conversations around the tenant/landlord modifications, you can't be in the context of COVID and as a landlord myself I can tell you, there are a lot of people that have been effected by it and a lot that haven't. I think this commission needs to be concerned about Housing Affordability which is what we're about and start talking about how we're going to have meaningful and substantive improvements in the inventory of housing and not go down rabbit holes of rental assistance.

Dave Spatafore: Chris, you raised a good number of issues however, I did not mention to continue the eviction moratorium, I did not talk about COVID specifically because I agree with you but we're talking about right now, is we have the ability with the potential 20 million dollars from the CARES act to provide rental assistance for those folks who need it, remember the data we talked about before the 2020 session which is 14,000 McKinney Vento children are housing challenged, that is a group that we know needs help to pay rent, we're not saying not to pay rent, we're saying we have the ability to help and that's what we ought to do is help.

Rep. Val Potter: Thank you Dave, Ashley and Chris, we've got to prioritize here, so what does the commission want to do?

Jonathan Hardy: Might I suggest instead of going through each of the lists, we can kind of have a working list and decide what is the priority for the subsequent meeting, I think some good things have been brought up today about having shovel ready projects, we can do a deep dive on permanent supportive housing and as Senator Anderegg mentioned is, what is our need for this type of housing, what is the quantity of housing we need to build that would meet the need for permanent supportive housing, so let's figure out some of those topics we want to cover when and we should at least get next meetings priorities done.

Senator Anderegg: Might I also suggest that as far as having a discussion on new policies between now and the end of June that we reserve some of the new policy discussion, some of what Mr. Spatafore brought up until we get a better idea of how the funding is going to kind of work its way through our

process, I'm not opposed to moving forward with a big policy discussion on potential policy adjustments for next year's legislation, I just worry about jumping into a big conversation about policy that ultimately we'll get lost as we're dealing and adjusting with what happens in finances and budgets. I think we need to set what those policy aspects are for discussions throughout the year, I want to bring in experts on permanent assisted housing and transitional housing with numbers, having them come before the commission and testify with their data showing what the supply is vs. what the demand is.

Rep. Joel Briscoe: We are public body and I hope that we will always be a public body where advocates for whatever aspect of this very large problem can bring their ideas to us, when I look at the list that's being presented to us, I think the items on the bottom, we'll have a better discussion if we do some of the data collection at the top and those are some of the most important issues, this is so big and so many people that are affected by struggling to find housing, we're in the middle of something that no one could plan for and we're all trying to the very best job we can to try and figure out how to get out of it in one piece and how it's affecting people, so if we do #1, and we create better data collection under rental assistance and we get better data on who's help and who's not being helped, I didn't hear anyone speak against helping children, homeless families or domestic violence, or senior citizens, immigrants or refugees. I think the Senator has a good point that if it's worthy of discussion, then it doesn't need to be done immediately, it can be something done later after we have more information about the effect this having on these various groups.

Rep. Val Potter: I thought that was a good suggestion, how does the commission feel?

Senator Anderegg: I would say we take this list along with our other list and send it out to the commission, can we do a doodle poll and prioritize what we want to target and in what order?

Jonathan Hardy: We'll do a google survey that we can help prioritize and everyone can vote.

Schedule next meeting: Sending out a doodle poll.

Jonathan Hardy: Motion to adjourn at 11:27am.